

College Bound Scholarship Program Caseload Forecasts

Year in Review

ACADEMIC YEAR 2014-2015

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STATE OF WASHINGTON • CASELOAD FORECAST COUNCIL

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COLLEGE BOUND SCHOLARSHIP PROGRAM OVERVIEW

The College Bound Scholarship Program (CBSP) encourages low-income, middle school students to choose a path that will lead to educational success after high school. It is a state-funded program administered by the Washington Student Achievement Council (WSAC).

The program promises four years of tuition (at public institution rates) and book allowances to lower income students who sign up in the 7th or 8th grade, graduate high school with a “C” or better average, avoid a felony conviction, successfully apply to an eligible¹ higher education institution when they graduate, and are a resident student². The scholarship must be used within five years of high school graduation.

FORECAST OVERVIEW

The forecast of the CBSP caseload includes all CBSP eligible students enrolled in eligible institutions, whether or not they received funding from CBSP. To forecast CBSP enrollment, the Caseload Forecast Council uses numbers of students who have signed-up for the program (also known as a cohort), numbers of students within a cohort who have graduated from the 12th grade, and numbers of students who enroll in higher education over the five years of scholarship eligibility.

CASELOAD OVERVIEW

ORIGINAL SIGN-UP

Students may apply for the CBSP in their 7th or 8th grade year, but only need to sign up once. Initial income eligibility is based on eligibility for free or reduced price lunches (FRPL). For forecasting purposes, CBSP cohorts are identified by the year in which they complete the 8th grade. This count typically determines the high water mark for cohort size.

The table that follows presents total 8th grade enrollment and the number and percent of these 8th grade students eligible for FRPL. The FRPL eligible 8th graders form the pool feeding the CBSP caseload. The size of the FRPL 8th grade cohort determines the ceiling for each CBSP cohort.

Since the 2007-08 academic year, both the total number of 8th graders in public school and the CBSP pool (the number of 8th graders eligible for FRPL) have increased slightly; by 3.0 percent and 3.5 percent, respectively. In contrast, over the same period, CBSP sign-up cohorts have doubled. In other words, the program participation rate, or the percentage of those eligible who participate, has swamped the effects of slow growth in 8th grade enrollment and in FRPL eligibility. More recently, the number of CBSP approved applications has reached nearly 90 percent of those eligible to participate.

¹ Eligible institutions are those institutions participating in the State Need Grant program with the state. WAC 250-84-060(3)

² Resident student is defined in RCW 28B.15.012(2) (a) through (d). Students with Deferred Action for Childhood Arrival (DACA) status also qualify for residency based on a memorandum dated July 31, 2015 from the Attorney General of Washington to the Washington Student Achievement Council.

CBSP Cohorts by Academic Year

Academic Year	8th Grade Public	8th Grade FRPL	8th Grade Sign-	8th Grade FRPL	CBSP Cohorts as	CBSP Cohorts as
	School HC (Oct)	Eligible HC	Up Cohort	Eligible as % of 8th Grade Public School	% of 8th Grade Public School HC	% of FRPL Eligible
2007-2008	78,257	36,063	16,088	46.1%	20.6%	44.6%
2008-2009	78,894	35,145	16,017	44.5%	20.3%	45.6%
2009-2010	77,887	35,431	20,757	45.5%	26.7%	58.6%
2010-2011	78,937	34,979	23,345	44.3%	29.6%	66.7%
2011-2012	79,328	35,451	25,235	44.7%	31.8%	71.2%
2012-2013	79,523	35,626	29,094	44.8%	36.6%	81.7%
2013-2014	80,224	36,032	32,261	44.9%	40.2%	89.5%
2014-2015	80,594	37,323	33,127	46.3%	41.1%	88.8%
2015-2016	79,486	35,700	31,964	44.9%	40.2%	89.5%
2016-2017	80,677	36,236	32,443	44.9%	40.2%	89.5%

Note: 2015-16 and 2016-17 are forecasted

In the 2014-15 academic year, initial cohort size reached just over 33,000 students which represents 41.1 percent of the 8th grade public school headcount and 88.8 percent of those who are eligible. However, the program will not reach full implementation until academic year 2016-17 when five cohorts are enrolled in college. The actual number per cohort will be a function of 8th grade enrollment, the percentage of students meeting income eligibility, and the percentage of those eligible who actually sign up for CBSP.

12TH GRADE GRADUATES

The number of students in the original sign-up cohort who graduate from the 12th grade can shrink as a result of a number of factors, including:

- Death;
- Drop-outs;
- Being held back a grade; or
- Moving out of state.

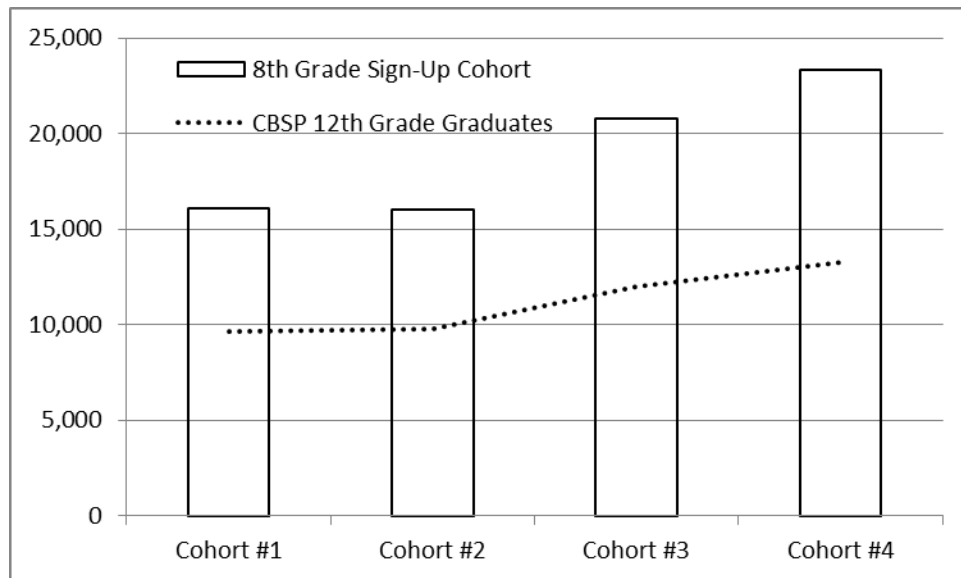
For forecasting purposes, the total number of 12th grade graduates includes those students from each cohort who graduate from the 12th grade on time as well as the number of students who graduated early (from the following cohort) or late (from the previous cohort). Roughly 90 percent of the total number of 12th grade graduates will represent the original sign-up cohort.

CBSP Eligible Students Graduating from the 12th Grade

Academic Year of Sign-Up	8th Grade Sign-Up Cohort	Academic Year of 12th Grade Graduation	CBSP 12th Grade Graduates	CBSP 12th Grade Graduates as % of Sign-Up Cohort
2007-2008	16,088	2011-2012	9,650	60%
2008-2009	16,017	2012-2013	9,793	61%
2009-2010	20,757	2013-2014	11,984	58%
2010-2011	23,345	2014-2015	13,299	57%

With each of the first four original sign-up cohorts, the total **number** of CBSP students who graduated high school has increased; however, although continuing to hover around 60 percent, the **proportion** of each cohort to graduate high school has decreased slightly with Cohorts #3 and #4 falling to 58 and 57 percent, respectively.

CBSP 12th Grade Graduates Compared to Original Sign-Up Cohort



ELIGIBILITY CONTINUUM

Eligibility for receipt of a scholarship in the CBSP program while enrolled in higher education is based on a 5-year eligibility continuum. The following table illustrates this continuum of eligibility.

CBSP Scholarship Continuum of Eligibility (Illustrative Example)

	HS Graduation	ACADEMIC YEARS						
		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Traditional	Jun 2015		1	2	3	4	5	Ineligible
Early Enrollees	Btwn Jun 2014 & Jun 2015	1	2	3	4	5	Ineligible	Ineligible
Delayed Enrollees	Jun 2015			2	3	4	5	Ineligible
Late Enrollees	Jun 2016			1	2	3	4	5
Delayed Late Enrollees	Jun 2016				2	3	4	5

NOTES:

Traditional = Students who graduated on-time with their original sign-up cohort.

Early Enrollees = Students who graduated earlier than their original sign-up cohort.

Delayed Enrollees = Students who graduated on-time with their original sign-up cohort but did not enroll in higher education until one year after high school graduation.

Late Enrollees = Students who graduated after their original sign-up cohort.

Delayed Late Enrollees = Students who graduated after their original sign-up cohort and did not enroll in higher education until one year after their delayed high school graduation.

A CBSP scholarship award is valued at no more than four years of tuition and fees at comparable public institutions of higher education, and must be used within a five year period. To maintain eligibility, students must enroll in higher education no later than one full academic year following their 12th grade graduation. As a result, students who opt to not enroll in the academic year that immediately succeeds their graduation year, will forego the first year of their scholarship eligibility.

It is possible, however, that students from the same cohort will graduate from the 12th grade in different academic years. This could occur for a number of reasons, including satisfying credit requirements early, being held back a year, or satisfying credit requirements late. Because the five years of scholarship eligibility is based on the year that students graduate from the 12th grade, students who graduate in an academic year that is different from their original sign-up cohort will be tracked along the five year eligibility continuum of their fellow 12th grade graduates. Essentially, this movement of students from an original sign-up cohort produces a “college cohort” and it is these college cohorts that are tracked and forecasted through the higher education system. Regardless of the effect of early and late graduates on the original sign-up cohort, the vast majority of the college cohort will be from the original sign-up cohort.

INITIAL HIGHER EDUCATION ENROLLMENT AND REENROLLMENT

The number of students who graduate from the 12th grade and remain eligible for CBSP funding can shrink as a result of numerous factors, including:

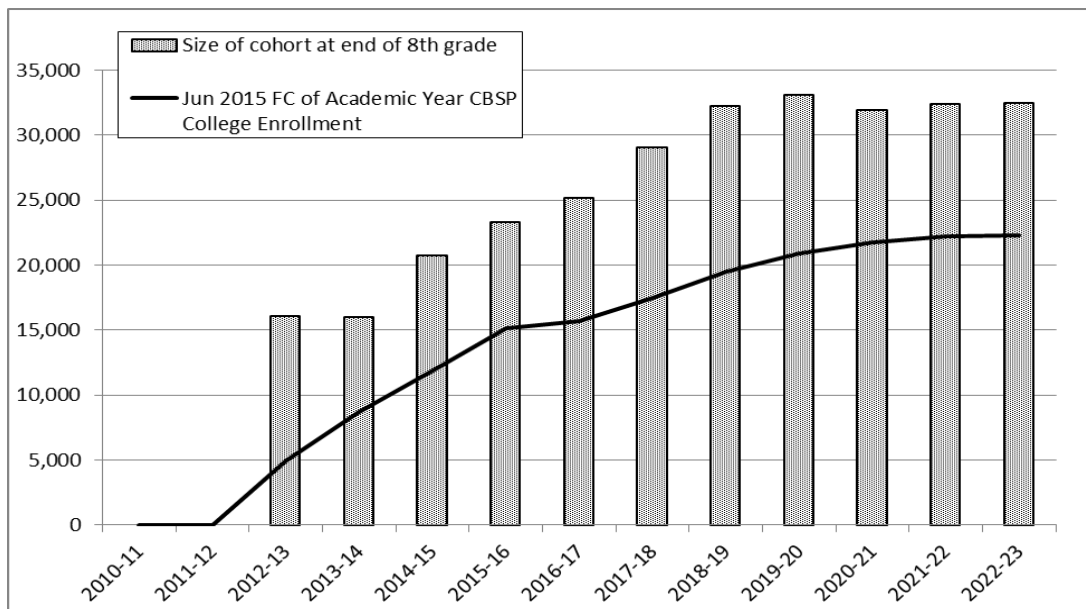
- Not graduating from the 12th grade with a 2.0 average;
- Receiving a felony conviction;
- No longer meeting income limits;
- Not meeting residency requirements;
- Moving out of state;
- Attending college out of state;

- Attending a college not participating in the program; or
- Not enrolling in college.

Final income eligibility is contingent on family income being at or below 65 percent of the median family income for Washington as used for state need grant purposes. To determine income eligibility, students are required to file in a timely manner a Federal Application for Student Aid (FAFSA); or, in the case of Deferred Action for Childhood Arrival (DACA) students, a Washington Application for State Financial Aid (WASFA).

The first cohort enrolled in college in the fall of 2012 for the 2012-13 academic year. The full fiscal impact of the program will not be felt until the 2016-17 academic year, at which time there will be five cohorts participating in the program. There will be a “ramp up” in caseload over the five year period beginning from the 2012-13 academic year through the 2016-17 academic year, after which the caseload will level out with caseload growth reflecting changes in the size of new cohorts and variations in enrollment rates (i.e. the percentage of students using their full four years of scholarship over the five years of eligibility).

CBSP Caseload Compared to Original Sign-Up Cohort



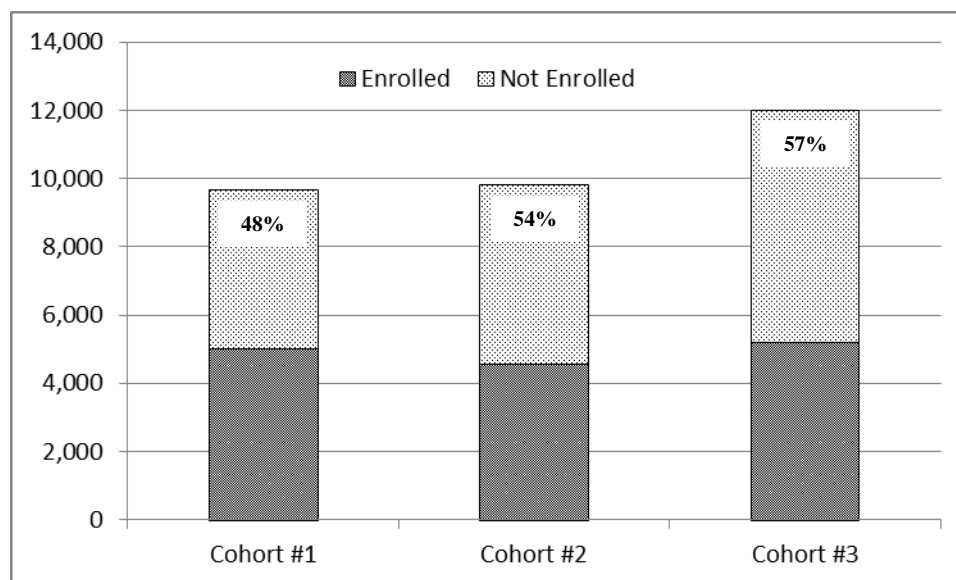
Depending on income fluctuations and/or degree program requirements, students may only be eligible for, or may only utilize, a portion of the five year, post-high school period. On average, five percent of CBSP eligible students attending eligible institutions receive adequate funding from other sources (state need grant, scholarships, etc.) and do not need to draw on their CBSP funding.

CBSP Eligible Students Attending Eligible Institutions, by CBSP Funding

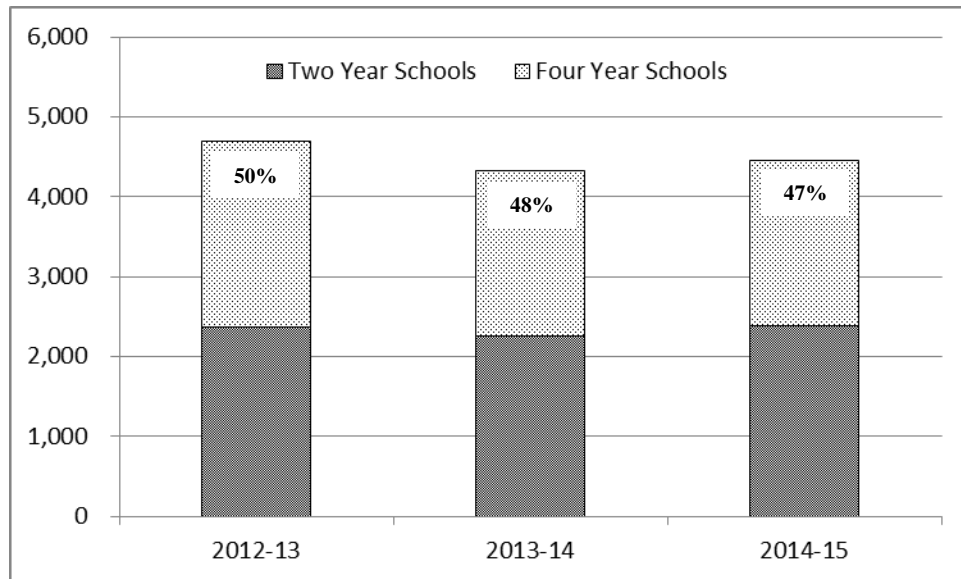
Academic Year	Total	CBSP Eligible, Receiving Grant	CBSP Eligible, No Grant	% Eligible and Receiving Grant
2012-2013	4,987	4,689	298	94%
2013-2014	8,685	8,343	342	96%
2014-2015	12,329	11,672	657	94%

Since the 2012-13 academic year, the proportion of CBSP high school graduates enrolling in higher education in their first year of eligibility has declined as additional cohorts have entered higher education; 52 percent, 46 percent and 43 percent for Cohorts #1, #2, and #3, respectively. In addition, the proportion of students choosing to enroll in a four year school initially has also declined. Approximately 50 percent of the first cohort that enrolled in college in their first year of eligibility enrolled in a four-year school, compared to 48 percent and 47 percent with Cohorts #2 and #3, respectively.

College Cohort Enrollment Comparisons – Eligibility Year #1

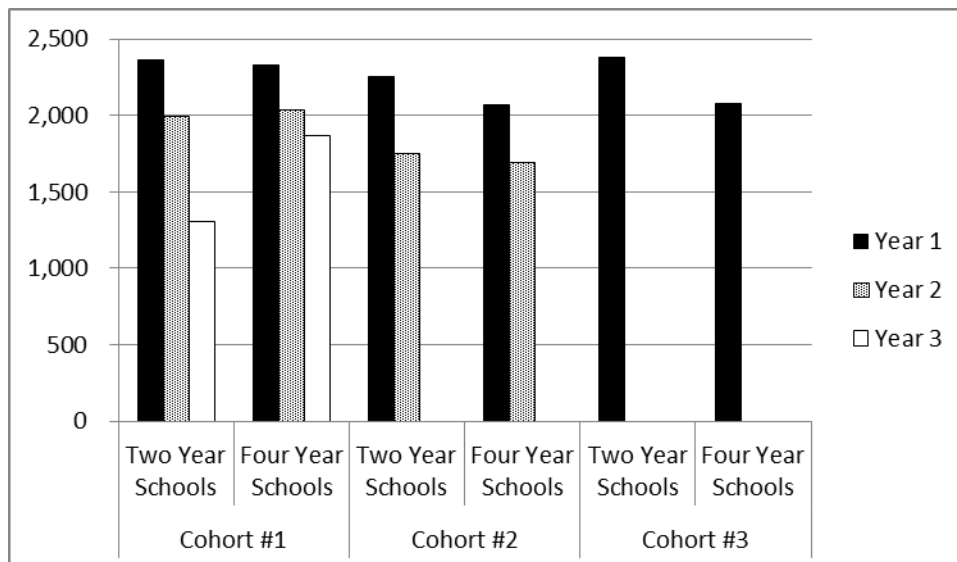


College Cohort Enrollment Comparisons – Eligibility Year #1



With regard to the patterns of those who persist in each successive year of higher education (re-enrollment), however, the data show something different as illustrated on the following chart. With Cohort #1, 49.6 percent of students enrolled in a four-year school in their first year of eligibility, 50.5 percent in eligibility year two, and 58.9 percent in eligibility year three. With Cohort #2, 47.9 percent enrolled in a four-year school in their first year of eligibility and 49.2 percent in eligibility year two.

College Cohort Enrollment Comparisons



Preliminarily, this information indicates that there is greater variability in enrollment patterns of the first year of eligibility from one cohort to the next as each successive cohort arrives in the higher education system; which may, in part, be due to the expansion of the overall pool of those who sign-up for the program. However, once cohorts are in the higher education system, they tend to act more similarly in their re-enrollment patterns.

Furthermore, increases in the proportion of students enrolled in four-year schools as they progress along the 5-year eligibility continuum is to be expected since there are only a small number of four-year degree programs that students can complete at traditional two-year schools. In addition, approximately 37 percent of all students enrolled in a community and technical college in the state enroll with the intent to transfer to a four-year school.³ As a result, a portion of the four-year enrollment in the latter years of scholarship eligibility will be directly attributable to the movement between sectors because of these transfers.

FORECAST METHODOLOGY

The CBSP forecast models the natural process by which eligible, participating students sign-up for the program, graduate from high school, and enroll in an institution of higher education. The forecast model for future college enrollment of each cohort is based on assumptions of initial college enrollment and re-enrollment rates (the cohort's current year enrollment as a percent of the cohort's enrollment in the previous year) as each cohort passes through its five years of scholarship eligibility.

The most important factor determining enrollment is the size of each new sign-up cohort. Four years after a cohort's 8th grade year, these students will graduate from the 12th grade, plus or minus the net effects of death, drop-outs, students graduating early (from the following cohort) or late (from the previous cohort), and students leaving the state. Over the ensuing five years, the cohort progresses through the higher education system, growing or shrinking each year depending on the net effects of death, drop-outs, income fluctuations, residency status, or degree completion.

The forecast method requires development of six distinct forecast parameters:

1. **8th Grade Enrollment:** Forecasted numbers are provided via the K12 long-range fixed participation rate forecast. This forecast is based on the current participation rate forecast model and incorporates a three-year transition period (during which recent trends in the participation rate, by grade, are damped and smoothed) between current, official enrollment projections and long-term projections.
2. **8th Grade Headcount Eligible for Free and Reduced Price Lunch:** This population represents those eligible to sign up for the CBSP. Actual proportions of students eligible for free and reduced price lunch are provided by the Office of the Superintendent of Public Instruction. The forecast is based on the previous academic year's proportion of free and reduced price lunch eligible students compared to the actual 8th grade headcount.
3. **Sign-up Cohort:** Actual numbers of students who have signed up for the program are provided by WSAC. The forecast is based on the ratio of eligible 8th graders who have

³ 2013 Transfer Report: A Review of Improvements in Transfer, Washington Student Achievement Council, January 2013, Data for academic year 2010-11.

signed up for the CBSP relative to the total 8th grade enrollment headcount in the previous academic year.

4. **12th Grade Graduates:** Actual numbers of students who have graduated from the 12th grade are provided by OSPI and WSAC. The forecast is based on the ratio of the number of CBSP students who have graduated from the 12th grade relative to the number of eligible 8th graders who have signed up for the CBSP in the previous academic year.
5. **Eligibility Year One Enrollment:** Actual numbers of students who have enrolled in the first year of eligibility are provided by WSAC. The forecast is based on the ratio of the number of CBSP students who enroll in their first year of scholarship eligibility relative to the number of students who graduated from the 12th grade in the previous academic year and are damped to account for declining participation patterns with the first three cohorts.
6. **Re-Enrollment:** Actual numbers of students who have re-enrolled along the 5-year eligibility continuum are provided by WSAC. The forecast is based on the ratio of the number of CBSP students who persist through each successive year of scholarship eligibility relative to the number of CBSP who were enrolled in the prior year of scholarship eligibility for the previous academic year and are damped to account for declining participation patterns experienced with the first three cohorts.

The forecast of the CBSP program is relatively new and there are only actual enrollment data for three academic years. Once the CBSP is fully implemented and there is more historical data available, each step in the forecast process will eventually be based on statistical analyses of historical trends in the forecast parameters.

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